WPP 2005 Limited
(Registered number: 01003653)

Annual Report

for the year ended 31 December 2017

Registered office address:
27 Farm Street,
London,
W1J 5RJ

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L10 29/06/2018 #70
COMPANIES HOUSE

WPP 2005 Limited
(Registered number: 01003653)

Annual Report

for the year ended 31 December 2017

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WPP 2005 Limited
(Registered number: 01003653)

Strategic report for the year ended 31 December 2017

The Directors present their Strategic report on WPP 2005 Limited (the 'Company') for the for the year ended 31 December 2017.

Principal activities and future developments

The Company is a member of the WPP Plc Group (the 'Group'). The Company provides management services and financing to the Group as well as acting as an intermediary holding company. The Directors do not envisage any major change to the nature of the business in the foreseeable future.

Review of business

The Company made a loss for the year ended 31 December 2017 of £197.2 million (2016: loss of £100.3 million). The Directors are of the opinion that the current level of activity is sustainable due to the positive year end financial position. This positive financial position is expected to remain so in the foreseeable future.

The loss for the year of £197.2 million will be transferred from reserves (2016: £100.3 million transfer from reserves).

Principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2017 and up to date of this report.The principal risk for the Company is a liquidity risk. The Company participates in the Group banking arrangement and has access to a group cash management facility. The Directors have reviewed the future cash requirements and earnings projections of the Company, along with its related companies. The Directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance. The Directors have concluded that the Company along with its related company should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate. This is due to the mitigation of the liquidity risk as identified under the 'Principal risks and uncertainties' section of the Strategic Report.

Key performance indicators (KPIs)

The Company is a wholly owned subsidiary of WPP Plc. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of WPP Plc, which includes this Company, is discussed in the Group's annual report, which does not form part of this report. The financial statements of WPP Plc are available at www.wppinvestor.com.

By order of the Board

S Winters
Director

WPP 2005 Limited
(Registered number: 01003653)

Directors' report for the year ended 31 December 2017

The Directors present their report and audited financial statements for the Company for the for the year ended 31 December 2017.

Results and dividends

The Company's results for the financial year are shown in the income statement on page 1.

No dividend is proposed to the holders of Ordinary Shares or Preference Shares in respect of the year ended 31 December 2017 (2016:£nil).

The amount of unpaid cumulative preference dividends for the year ended 31 December 2017 is £48,000 (2016: £42,000).

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

S Winters
C Van Der Welle

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

Directors' indemnity

Each of the Directors benefits from a third party qualifying indemnity given by the Company in respect of liabilities incurred by the Director in the execution and discharge of their duties. The provision remains in force throughout the financial year and up until the date of the report.

Employees

Our non-discrimination and anti-harassment policies are included in the Group Code of Conduct. In the case of disability, our policy to provide continuing employment and training wherever practicable.

WPP 2005 Limited
(Registered number: 01003653)

Directors' report for the year ended 31 December 2017

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report including the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 'Reduced disclosure framework' ("FRS 101") and applicable law. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The following items have been included in the Strategic report on page 1:

- principal activities and future developments;
- review of business;
- going concern statement; and
- principal risks and uncertainties.

Disclosure of information to auditor's

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditor's are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor's are aware of that information. This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Independent auditor's

Deloitte LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the Board:

S Winters
Director

WPP 2005 Limited
(Registered number: 01003653)

Independent auditors' report to the members of WPP 2005 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Geometry Global (UK) Limited (the 'Company') which comprise:
- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

WPP 2005 Limited
(Registered number: 01003653)

Independent auditors' report to the members of WPP 2005 Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

WPP 2005 Limited
(Registered number: 01003653)

Independent auditors' report to the members of WPP 2005 Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Francesca Yearsley

Francesca Yearsley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
28 June 2018

WPP 2005 Limited
(Registered number: 01003653)

Income statement
for the year ended 31 December 2017

	Notes	2017 £m	2016 £m
Operating expenses		**(178.2)**	(77.2)
Impairment of investments in subsidiaries		**(2.6)**	-
Operating loss	4	**(180.8)**	(77.2)
Finance income	6	**6.4**	4.9
Finance expense	7	**(26.8)**	(36.3)
Loss before taxation		**(201.1)**	(108.6)
Taxation	8	**3.9**	8.3
Loss for the year		**(197.2)**	**(100.3)**

The results disclosed above for both the current year and prior year relate entirely to continuing operations.

WPP 2005 Limited
(Registered number: 01003653)

Balance sheet
As at 31 December 2017

	Notes	2017 £m	2016 £m
Non-current assets			
Property, plant and equipment	9	**2.7**	2.0
Intangible assets	10	**9.4**	1.5
Investments in subsidiaries and associates	11	**4,050.3**	4,052.7
Investment properties	12	**4.4**	3.6
Deferred tax asset	8	**11.3**	-
Total non-current assets		**4,078.1**	4,059.8
Current assets			
Trade and other receivables	13	**209.2**	315.0
Cash and cash equivalents		**230.6**	147.9
Total current assets		**439.8**	462.9
Total assets		**4,517.9**	4,522.7
Current liabilities			
Bank overdraft		**(568.2)**	(462.6)
Trade and other payables	14	**(293.4)**	(196.6)
Total current liabilities		**(861.6)**	**(659.2)**
Net current liabilities		**(421.7)**	(196.3)
Total assets less current liabilities		**3,656.4**	3,863.5
Non-current liabilities			
Trade and other payables	14	**(449.1)**	(486.0)
Total liabilities		**(1,310.6)**	(1,145.2)
Net assets		**3,207.3**	3,377.5
Equity			
Share capital	17	**2.4**	2.3
Share premium		**2,395.1**	2,395.1
Other reserves		**3,520.6**	3,520.6
Accumulated losses		**(2,710.8)**	(2,540.5)
Shareholder's equity		**3,207.3**	**3,377.5**

The financial statements on pages 7 to 24 were approved by the Board of Directors on 28 June 2018 and signed on its behalf by:

S Winters

Director

WPP 2005 Limited
(Registered number: 01003653)

Statement of changes in equity
for the year ended 31 December 2017

	Note	Share *capital*	Share *premium*	Capital *reserve*	Capital redemption *reserve*	Translation *reserve*	Merger *reserve*	Accumulated losses	Total
	Note	£m	£m	£m	£m	£m	£m	£m	£m
As at 1 January 2016		**1.4**	**-**	**127.4**	**5.0**	**(37.2)**	**3,471.5**	**(2,474.3)**	**1,093.8**
Loss for the year and total comprehensive loss		-	-	-	-	-	-	(100.3)	(100.3)
Ordinary shares issued		0.9	2,395.1	-	-	(46.1)	-	46.1	2,396.0
Non-cash settled share-based incentive plans		-	-	-	-	-	-	(12.0)	(12.0)
As at 31 December 2016		**2.3**	**2,395.1**	**127.4**	**5.0**	**(83.3)**	**3,471.5**	**(2,540.5)**	**3,377.5**
Loss and total comprehensive loss for the year		-	-	-	-	-	-	(197.2)	(197.2)
Correction of ordinary shares issued from prior year	2(a)	0.1	-	-	-	-	-	-	0.1
Non-cash settled share-based incentive plans		-	-	-	-	-	-	12.4	12.4
Tax on share-based incentive plans		-	-	-	-	-	-	14.5	14.5
As at 31 December 2017		**2.4**	**2,395.1**	**127.4**	**5.0**	**(83.3)**	**3,471.5**	**(2,710.8)**	**3,207.3**

WPP 2005 Limited
(Registered number: 01003653)

Notes to the financial statements for the year ended 31 December 2017

1 Presentation of the financial statements

General information
The Company's business activities, future development and a review of its performance and positive are set out in the Strategic report on Page 3.

The Company is a private company, limited by shares, and is incorporated and domiciled in the UK (England). The address of the registered office is 27 Farm Street, London, W1J 5RJ.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Directors believe that preparing the financial statements on the going concern basis is appropriate. The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

These financial statements have been prepared on the going concern basis under the historical cost convention as modified by the revaluation of derivative financial assets and liabilities at fair value through profit and loss and available for sale financial assets, and in accordance with the Companies Act 2006.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

• Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
• IFRS 7, 'Financial instruments: disclosures';
• Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
• Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
(i) paragraph 79(a) (iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
(iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
(iv) paragraph 62(a) and (b) of IAS 40 Investment property;
• The following paragraphs of IAS 1,'Presentation of financial statements':
- 10(d) (statement of cash flows)
- 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (statement of compliance with all IFRS),
- 38A (requirements for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third balance sheet),
- 111 (cash flow statement information), and
- 134 - 136 (capital management disclosures)
• IAS 7, 'Statement of cash flows'
• Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
• The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

The financial statements of WPP plc are available at www.wppinvestor.com.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Immaterial correction:
An immaterial rounding error was identified relating to the issuance of share capital in prior year, which was presented as £0.9 million but should have been presented as £1.0 million. This has been corrected through the current year financial information rather than restating the prior year due to its immaterial nature.

WPP 2005 Limited
(Registered number: 01003653)

Notes to the financial statements for the year ended 31 December 2017

2 Summary of significant accounting policies (continued)

(b) Consolidation

The Company is a wholly owned subsidiary of the ultimate parent company, WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of statements of WPP plc. Copies of the consolidated financial statements can be obtained from www.wppinvestor.com. The smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of statements of WPP Jubilee Limited, registered in the UK (England). The immediate parent undertaking is WPP Madrid Square. These financial statements are separate financial statements.

(c) Foreign currency transactions

Foreign currency transactions are booked in functional currency of the Company at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into functional currency at rates of exchange ruling at the balance sheet date, Exchange differences are included in the income statement. The functional and presentation currency of the Company is Pounds Sterling.

(d) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

(e) Finance income and expense

Finance income and expenses are recognised on an accruals basis using the effective interest method.

(f) Share based payments

Incentives in the form of shares are provided to employees under share option and restricted share award schemes are fair-valued at their grant dates and the cost is charged to the income statement over the relevant vesting period.

(g) Property, plant and equipment

Property, plant and equipment is stated at the cost of purchase or construction less provisions for depreciation and impairment. Financing costs are capitalised within the cost of qualifying assets in construction.

Depreciation is calculated to write off the cost of property, plant and equipment, excluding freehold land, using the straight-line basis over their expected useful lives. The normal expected useful lives of the major categories of tangible fixed assets are:

Leasehold land and buildings	The shorter of lease term or 50 years
Fixtures, fittings and equipment	3 to 10 years
Computer equipment	3 to 5 years

(h) Investment properties

Investment properties comprise significant portions of freehold/leasehold office buildings that are held for long-term rental yields and/or capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the shorter of the lease term or 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income statement.

(i) Intangible assets

Intangible assets are stated at cost less a provision for amortisation and impairment.

The costs of acquiring and developing computer software for internal use and internet sites for external use are capitalised as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset. ERP systems software is amortised over seven to ten years and other computer software over three to five years.

(j) Capitalised borrowing costs

The Company's borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as expenses in the period in which they are incurred.

WPP 2005 Limited
(Registered number: 01003653)

Notes to the financial statements for the year ended 31 December 2017

2 Summary of significant accounting policies (continued)

(b) Consolidation

The Company is a wholly owned subsidiary of the ultimate parent company. WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of statements of WPP plc. Copies of the consolidated financial statements can be obtained from www.wppinvestor.com. The registered address of WPP plc is Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES.The smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of statements of WPP Jubilee Limited, registered in England and Wales. The address of WPP Jubilee Limited is 27 Farm Street, London, W1J 5RJ, England, United Kingdom . The immediate parent undertaking is WPP Madrid Square Limited. These financial statements are separate financial statements. The address of WPP Madrid Square Limited is 27 Farm Street, London, W1J 5RJ, England, United Kingdom

(c) Foreign currency transactions

Foreign currency transactions are booked in functional currency of the Company at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are included in the income statement. The functional and presentation currency of the Company is Pounds Sterling.

(d) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

(e) Finance income and expense

Finance income and expenses are recognised on an accruals basis using the effective interest method.

(f) Share based payments

Incentives in the form of shares are provided to employees under share option and restricted share award schemes are fair-valued at their grant dates and the cost is charged to the income statement over the relevant vesting period.

(g) Property, plant and equipment

Property, plant and equipment is stated at the cost of purchase or construction less provisions for depreciation and impairment. Financing costs are capitalised within the cost of qualifying assets in construction.

Depreciation is calculated to write off the cost of property, plant and equipment, excluding freehold land, using the straight-line basis over their expected useful lives. The normal expected useful lives of the major categories of tangible fixed assets are:

Leasehold land and buildings	The shorter of lease term or 50 years
Fixtures, fittings and equipment	3 to 10 years
Computer equipment	3 to 5 years

(h) Investment properties

Investment properties comprise significant portions of freehold/leasehold office buildings that are held for long-term rental yields and/or capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the shorter of the lease term or 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income statement.

(i) Intangible assets

Intangible assets are stated at cost less a provision for amortisation and impairment.

The costs of acquiring and developing computer software for internal use and internet sites for external use are capitalised as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset. ERP systems software is amortised over seven to ten years and other computer software over three to five years.

(j) Capitalised borrowing costs

The Company's borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as expenses in the period in which they are incurred.

2 Summary of significant accounting policies (continued)

(p) Leases

Operating leases
All leases are operating leases and the rental costs are charged to the income statement on a straight-line basis over the lease term.

(q) Trade and other receivables

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the income statement.

Subsequent recoveries of amounts previously provided for are credited to the income statement. Long-term receivables are discounted where the effect is material.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

(s) Trade and other payables

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term payables are discounted where the effect is material.

(t) Taxation

Current tax is provided at the amounts expected to be paid or refunded applying the rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probably that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date

(u) Provisions for liabilities

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(v) Pensions

For defined contribution schemes, contributions are charged to the income statement as payable in respect of the accounting period.

3 Key accounting judgements and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue and expenses reported in the financial statements. Actual amounts and results could differ from those estimates. The following are considered to be the key accounting judgements and estimates made.

(a) Taxation

Current tax is provided at the amounts expected to be paid or refunded, and deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised, based on managements assumptions relating to the amounts and timing of future taxable profits.

(b) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. See Note 9 for the carrying values of property, plant and equipment. Useful economic lives are disclosed in the accounting policy for property, plant and equipment.

(c) Impairment of investments in subsidiaries and associates

Investments in subsidiaries and associates are held at cost less accumulated impairment losses. Annual impairment tests are carried out to ascertain if the carrying value of investments are impaired. These tests comprise a comparison between the carrying value of investment in subsidiary and associates and the net asset value of the subsidiary and associates. In some instances, valuations of subsidiary companies and associates are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company.

(d) Recognition of share-based payment charge

As disclosed in Note 16, certain employees of the Company provide services to other entities in the Group. Management has assessed if it is appropriate for the Company to recognise the share-based payment change for all employees in the Company, or if part of the share-based payment charge should be recognised by the entities receiving services from the employees of the Company.

Factors that have led to this conclusion include (i) all employees are contracted with the Company (ii) no secondment arrangements are in place where employees provide services to other members of the Group (iii) employees can provide service to a number of other entities in the Group without the need for new contracts of employment (iv) review of salaries and awarding of bonuses for all UK employees is the responsibility of the UK Human Resource function, which is contained within the Company.

Based on these factors, and in light of the function of the Company within the Group, management has concluded that it is appropriate that the Company recognised the share-based payment charge for all of the employees of the Company.

4 Operating loss

	2017 £m	2016 £m
The following items have been charged to the operating loss:		
Depreciation of property, plant and equipment and investment properties	**1.9**	6.6
Amortisation of intangible assets	**0.6**	0.6
Impairment of investments in subsidiaries	**2.6**	-
Operating lease rentals	**6.7**	6.5
Charitable donations	**0.2**	0.3
Employee costs (Note 5)	**73.0**	50.6
Audit fees	**0.3**	0.4

5 Employees

Employee costs	2017 £m	2016 £m
Wages and salaries	32.5	29.9
Social security costs	4.6	11.8
Pension costs- defined contribution plans	2.0	2.1
Cash-based incentive plans	18.2	8.2
Share-based incentive plans	12.4	14.5
Severance and redundancy costs	0.9	(27.4)
Other employee costs	2.4	11.5
	73.0	50.6

The average monthly number of persons employed by the Company (including Directors)	2017 number	2016 number
Selling, general and administration	224	216
	224	216

The average number of Company employees exclude temporary and contract staff.

6 Finance income

	2017 £m	2016 £m
On loans with Group undertakings	6.4	4.9
Total finance income	6.4	4.9

7 Finance expense

	2017 £m	2016 £m
Bank interest expense	6.9	17.3
On loans with Group undertakings	19.7	19.0
Bank charges	0.2	-
Total finance expense	26.8	36.3

8 Taxation

Income tax charge / (credit)	2017 £m	2016 £m
Current tax:		
Blended UK Corporation tax of 19.25% (2016: 20.00%)	7.4	(8.3)
Total current tax	7.4	(8.3)
Deferred tax	(11.2)	-
Total deferred tax	(11.2)	-
Total tax credit for the year	(3.8)	(8.3)

The corporation tax credit for the prior year relates to consortium relief.

The tax assessed for the year is higher (2016: higher) than the blended rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.00%).

Reconciliation of total tax credit	2017 £m	2016 £m
Loss before taxation	(201.1)	(108.6)
Loss on ordinary activities at the blended UK statutory rate of 19.25% (2016: 20.00%)	(38.7)	(21.7)
Effects of:		
Expenses not deductible for tax purposes	(0.7)	(0.2)
Overseas tax	0.8	-
Movements in short term timing differences	-	(7.1)
Unrecognised tax on losses carried forward	-	20.7
Recognition of previously unrecognised deferred tax	(19.9)	-
Group relief transferred for nil consideration	54.7	-
Total tax credit for the year	(3.8)	(8.3)

Factors that may affect future tax charges:
The blended UK tax rate for the year ended 31 December 2017 is 19.25%. Further reductions to 17% (effective 1 April 2020) were enacted as part of the Finance Act 2017 on 27 April 2017. This will impact the Company's future current tax charge accordingly. Deferred taxes have been measured using appropriate rates substantively enacted at the balance sheet date.

No instance of current or deferred taxation has been recognised directly in other comprehensive income in either the current or prior year.

Tax credit included in equity	2017 £m	2016 £m
Current tax		
Tax adjustment on share based payments	(14.5)	-
Total tax credit included in equity	(14.5)	-

Unrecognised tax losses	2017 £m	2016 £m
At 31 December	100.7	162.8

A deferred tax asset of £11.3 million has been recognised in respect of capital allowances in excess of depreciation and deferred tax on share options. Deferred tax assets are recognised where it is probable that future taxable profits will be available to utilise the losses.

A deferred tax asset of £100.7 million (2016: £162.8 million) has not been recognised in respect of tax losses as it is unlikely that there will be sufficient taxable profits against which the asset will reverse in the foreseeable future. The unrecognised tax losses have no expiration date.

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Notes to the financial statements for the year ended 31 December 2017

9 Property, plant and equipment

	Leasehold buildings £m	Fixtures, fittings and equipment £m	Computer hardware £m	Total £m
Cost				
At 1 January 2017	2.0	0.5	5.1	**7.6**
Additions	-	-	2.3	**2.3**
At 31 December 2017	2.0	0.5	7.4	**9.9**
Accumulated depreciation				
At 1 January 2017	(1.6)	(0.3)	(3.7)	**(5.6)**
Charge for the year	(0.3)	(0.1)	(1.2)	**(1.6)**
At 31 December 2017	(1.9)	(0.4)	(4.9)	**(7.2)**
Net book value at 31 December 2016	0.4	0.2	1.4	**2.0**
Net book value at 31 December 2017	**0.1**	**0.1**	**2.5**	**2.7**

Included in land and buildings at 31 December 2017 are leased assets with a cost of £2.0 million (2016: £2.0 million), accumulated depreciation of £1.9 million (2016: £1.6 million) and a net book value of £0.1 million (2016: £0.5 million).

10 Intangible assets

	Computer software £m
Cost	
At 1 January 2017	6.0
Additions	8.5
At 31 December 2017	**14.5**
Accumulated amortisation	
At 1 January 2017	(4.5)
Charge for the year	(0.6)
At 31 December 2017	**(5.1)**
Net book value at 31 December 2016	1.5
Net book value at 31 December 2017	**9.4**

Intangible asset amortisation and impairments are recorded within operating expenses in the income statement.

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Notes to the financial statements for the year ended 31 December 2017

11 Investments in subsidiary undertakings and associates

	Subsidiary undertakings £m	Associates £m	Other £m	Total £m
Cost				
At 1 January 2016	8,216.6	10.6	-	**8,227.2**
Additions	2.2	-	-	**2.2**
At 31 December 2016	8,218.8	10.6	-	**8,229.4**
Additions	0.2	-	-	**0.2**
At 31 December 2017	**8,219.0**	**10.6**	-	**8,229.6**
Accumulated impairment				
At 1 January 2016 and at 31 December 2016	(4,176.7)	-	-	(4,176.7)
Impairment charge for the year	(2.6)	-	-	(2.6)
At 31 December 2017	**(4,179.3)**	-	-	**(4,179.3)**
Carrying value at 1 January 2016	4,039.9	10.6	-	4,050.5
Carrying value at 31 December 2016	4,042.1	10.6	-	4,052.7
Carrying value at 31 December 2017	**4,039.7**	**10.6**	-	**4,050.3**

Details of the subsidiary undertakings, associates and available-for-sale investments of the Company as at 31 December 2017 are given in Note 21.

During the year, the Company purchased share capital of £0.2 million in its shareholding in QCI Assessment Limited.

Amounts written off investments of £2.4 million relate to a write down in the carrying value of the Company's subsidiary investments in QCI Assessment Limited of £0.2 million, Dovetail Contract Furniture Limited of £0.2 million and Business Design Group McColl Limited of £2.0 million.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or net present value of future cash flows derived from assets using a projection period of up to 5 years for each subsidiary entity. After the projection period, steady or declining growth rates have been assumed for each subsidiary entity. An annual growth rate of 3.0% (2016: 3.0%) and a pre-tax discount rate of 8.14% (2016: 7.16%) have been assumed.

12 Investment properties

	£m
Cost	
At 1 January 2017	**4.8**
Additions	**1.1**
At 31 December 2017	**5.9**
Accumulated depreciation	
At 1 January 2017	**(1.2)**
Charge for the year	**(0.3)**
At 31 December 2017	**(1.5)**
Net book value at 1 January 2017	**3.6**
Net book value at 31 December 2017	**4.4**

The net book value at 31 December 2017 of the Company's investment properties comprises freehold properties of £nil (at 31 December 2016: £nil) and installed plant and equipment of £4.4 million (at 31 December 2016: £3.6 million). The fair value of the investment property is £4.4 million. The fair value on investment property has been determined based on a replacement cost basis. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

One property is leased out to a third party under an operating lease that commenced in January 2014. No lease incentives were offered on signing of the lease and no amount in relation to contingent rents have been recognised in the Statement of comprehensive income. Obligations with regard to repairs and maintenance are split between the lessor and lessee/borne by the lessee/borne by the lessor. Costs that are more capital in nature are borne by the Company, whereas general day to day repairs and maintenance are the responsibility of the lessee.

One property is leased out to a third party under an operating lease that commenced in March 2017. No lease incentives were offered on signing of the lease and no amount in relation to contingent rents have been recognised in the Statement of comprehensive income. Obligations with regard to repairs and maintenance are split between the lessor and lessee/borne by the lessee/borne by the lessor. Costs that are more capital in nature are borne by the Company, whereas general day to day repairs and maintenance are the responsibility of the lessee.

Based on a non-cancellable lease terms above, the future minimum operating lease rental income from these leases are:

	2017 £m	2016 £m
Not later than one year	**5.2**	1.6
Later than one year but not later than five years	**9.1**	6.2
Later than five years	**18.5**	21.8
	32.8	29.6

13 Trade and other receivables

	2017 £m	2016 £m
Amounts due within one year		
Amounts owed by Group undertakings	156.9	216.4
Other taxes and social security	26.4	18.8
Other receivables	25.9	79.8
	209.2	315.0

The amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

14 Trade and other payables

	2017 £m	2016 £m
Amounts falling due within one year		
Amounts owed to Group undertakings	185.9	118.6
Other taxation and social security	0.1	2.0
Other payables and accruals	107.4	76.0
	293.4	196.6
Amounts falling due after more than one year		
Amounts owed to Group undertakings	449.1	486.0
	742.4	682.6

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand, except for a call account balance of £449.1 million (2016: £486.0 million) which is unsecured with interest paid at 4.22% (2016: 4.22%) per annum.

15 Pensions

The Company contributes to defined contribution schemes. The pension cost for the year is £2.0 million (2016: £2.1 million). The assets of the schemes are held separately from those of the Company in independently administered funds. Unpaid contributions at the year end totalled £0.1 million (2016: £0.1 million).

16 Share based payments

WPP Share Option Plan

The WPP Share option plan grants options to employees who have worked at a Company owned by WPP plc for at least two years which are not subject to performance conditions or on a discretionary basis subject to the satisfaction of performance conditions.

Stock options have a life of ten years, including the vesting period. The terms of stock options with performance conditions are such that, if after nine years and eight months, the performance conditions have not been met, then the stock option will vest automatically. Stock options are satisfied out of newly issued shares in WPP Plc.

The number of options granted in 2017 and 2016 was not material.

Restricted stock scheme

Certain employees participate in restricted stock schemes, which are in most cases satisfied by the delivery of stock from one of the WPP Plc ESOP Trusts. The most significant schemes are:

Executive Share Awards (ESA)

Grants of stock under ESA are dependent upon annual performance targets, typically based on one or more of: consolidated Group operating profit, profit before taxation and operating margin. Grants are made in the year following the year of performance measurement, and vest two years after grant date provided that the individual concerned is continually employed by a WPP company throughout this time.

Leaders, Partners and High Potential Group

This scheme provides annual grants of restricted stock for key executives. Performance conditions include continued employment over a three-year vesting period.

Leadership Equity Acquisitions Plan III (LEAP III)

Under LEAP III, the most senior executives of the Group, including certain executive directors, commit WPP shares ('investment shares') in order to have the opportunity to earn additional WPP shares ('matching shares'). The number of matching shares which a participant can receive at the end of the fixed performance of five years is dependent on the performance (based on the Total Share Owner Return (TSR)) of the Company over that period against a comparative group of other listed communications services companies. The maximum possible number of matching shares for each of the 2012 and 2011 grants is five shares for each investment share. The 2011 LEAP III vested in March 2016 at a match of 5.0 shares for each investment share. The last LEAP III award was granted in 2012 and no further award will be made following the introduction of the EPSP.

Special Share Awards

From time to time, one-off awards are made to individuals in the form of restricted stock. Performance conditions include continued employment over the vesting period. As these are one-off awards the vesting period will differ for each award granted.

Executive Performance Share Plan (EPSP)

The first grant of restricted stock under the EPSP was made in 2013. This scheme is intended to reward and incentivize the most senior executives of the Group and has effectively replaced LEAP III. The performance period is five complete financial years, commencing with the financial year which the award is granted. Grant date will usually be in the first half of the first performance year, with vest date in the March following the end of the five year performance period. Vesting is conditional on continued employment throughout the vesting period.

There are three performance criteria, each constituting one third of the vesting value, and each measured over this five year period:

(i) TSR against a comparator group of companies. Threshold performance (equating to ranking in the 50th percentile of the comparator group) will result in 20% vesting of the part of the award depending on TSR. The maximum vest of 100% will arise if performance ranks in the 90th percentile, with a sliding scale of vesting for performance between threshold and maximum.

(ii) Headline diluted earnings per share. Threshold performance (7% compound annual growth) will again result in a 20% vest. Maximum performance of 14% compound annual growth will give rise to a 100% vest, with a sliding vesting scale for performance between threshold and maximum.

(iii) Return on equity (ROE). Average annual ROE defined as headline diluted EPS divided by the balance sheet value per share of share owners' equity. Threshold performance of 10% average annual ROE, maximum performance of 14%, with a sliding scale for performance in between. Threshold again gives rise to a 20% vest with 100% for maximum.

The share based compensation charge has been recorded in the income statement as operating expenses of £12.4 million (2016: £12.0 million).

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Notes to the financial statements for the year ended 31 December 2017

16 Share based payments (continued)

Valuation of share options

For the purpose of valuing options and savings-related options to arrive at the share based payment charge, the Black-Scholes option pricing model has been used. The assumptions used in the model are as follows:

	2017	2016
Risk-free rate	0.57%	0.44%
Dividend yield	2.90%	2.80%
Volatility	17%	16%
Expected life (months)	48	48
Fair value of options	112.0p	135.0p

The average share price of WPP plc for the year ended 31 December 2017 was £15.86 (2016: £16.45).

Options outstanding

ESA	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	508,857	14.24	7,246,124
Options granted	252,791	15.99	4,042,128
Options exercised	(275,231)	12.89	(3,547,728)
As at 31 December 2016	486,417	15.91	7,740,524
Options granted	186,866	17.21	3,215,964
Options exercised	(233,626)	15.84	(3,700,636)
Options cancelled	(8,794)	15.99	(140,616)
As at 31 December 2017	**430,863**	**16.51**	**7,115,236**

Leaders, Partners and High Potential Group	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	174,947	13.33	2,331,577
Options granted	241,296	16.56	3,995,862
Options exercised	(73,787)	13.51	(996,862)
Options cancelled	(1,379)	14.25	(19,644)
As at 31 December 2016	341,077	15.57	5,310,932
Options granted	145,253	13.09	1,901,362
Options exercised	(90,739)	13.15	(1,193,218)
Options cancelled	(16,569)	16.33	(270,586)
As at 31 December 2017	**379,022**	**15.17**	**5,748,490**

LTIP- Restricted stock awards	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	2,600	12.89	33,514
Options exercised	(2,600)	12.89	(33,514)
As at 31 December 2016 and 31 December 2017	-	-	-

Renewed LEAP/LEAP III	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	3,008,602	7.74	23,289,434
Options exercised	(1,323,245)	6.55	(8,667,255)
As at 31 December 2016	1,685,357	2.16	3,641,387
Options exercised	(1,685,357)	2.16	(3,641,387)
As at 31 December 2017	-	-	-

16 Share based payments (continued)

Special Share Awards	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	33,138	13.63	451,551
Options granted	6,335	17.06	108,075
Options exercised	(7,760)	12.89	(100,026)
As at 31 December 2016	31,713	14.49	459,600
Options granted	48,496	17.21	834,616
Options exercised	(22,024)	13.76	(302,955)
As at 31 December 2017	**58,185**	**17.04**	**991,261**

EPSP	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2016	1,692,913	12.64	21,403,522
Options granted	517,246	17.06	8,824,217
Options cancelled	(800,836)	13.71	(10,980,792)
As at 31 December 2016	1,409,323	13.66	19,246,947
Options granted	556,074	13.09	7,279,009
Options cancelled	(222,244)	13.09	(2,909,174)
As at 31 December 2017	**1,743,153**	**13.55**	**23,616,782**

17 Share capital

	2017 Number of shares	2016 Number of shares	**2017** £m	2016 £m
Issued and fully paid				
Ordinary shares of 0.1p each (2016: 0.1p each)	**2,262,271,217**	2,262,271,217	**2.3**	2.3
Cumulative preference shares of 10,000,000p each (2016: 10,000,000p each)	**1**	1	**0.1**	0.1
	2,262,271,218	2,262,271,218	**2.4**	2.4

The amount of unpaid cumulative preference dividends for the year ended 31 December 2017 is £48,000 (2016: £42,000).

18 Commitments

Commitments under non-cancellable operating leases for land and buildings:	**2017** £m	2016 £m
Rental payments due within one year	**6.3**	1.3
Rental payments due between one and not later than five years	**21.5**	1.0
Rental payments due after five years	**84.1**	1.6
Total commitments under non-cancellable operating leases	**111.9**	3.9

The rental commitments under non-cancellable operating leases for land and buildings are offset in part by sub-lease rental income (Note 12).

Syndicated banking arrangement
The Company participates in group banking arrangements with its ultimate parent company, WPP plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. The Company, together with its ultimate parent company, WPP plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangement Details of these arrangements are included in the financial statements of WPP plc.

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Notes to the financial statements for the year ended 31 December 2017

19 Directors' remuneration

	2017 £'000	2016 £'000
Salary and fees	471	504
Benefits	46	38
Pension	53	58
Short term incentives	123	326
Long term incentives	-	673
Other	-	137
Total	693	1,736

Retirement benefits accrued under money purchase schemes for 2 Directors during the year ended 31 December 2017 (2016: 2 Directors).

The emolument for the highest paid director are shown below:

	2017 £'000	2016 £'000
Salary and fees	250	189
Benefits	23	11
Pension	34	24
Short term incentives	67	-
Long term incentives	-	673
Other	-	-
Total	374	897

20 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, WPP plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation. Details of other material related party transactions are disclose below.

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Notes to the financial statements for the year ended 31 December 2017

21 Subsidiaries and associates

The subsidiaries and associates of the Company as at 31 December 2017 are as follows:

Company	Direct shares held (%)	Indirect shares held(%)	Security	Address of the registered office
Qci Assessment Limited	100%	0%	Ordinary	(a)
Sadek Wynberg Millward Brown Limited	100%	0%	Deferred	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary A	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary B	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary C	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary D	(b)
Business Planning and Research Limited	100%	0%	Ordinary A	(b)
Business Planning and Research Limited	100%	0%	Ordinary B	(b)
Business Planning and Research Limited	100%	0%	Ordinary C	(b)
Business Planning and Research Limited	100%	0%	Ordinary D	(b)
Business Planning and Research Limited	100%	0%	Ordinary E	(b)
The Marketing Consultancy Limited	100%	0%	Ordinary	(a)
Piranhakid Communications Limited	0%	85.58%	Ordinary	(c)
Tyrell Corporation Limited	100%	0%	Ordinary	(d)
Dovetail Contract Furniture Limited	100%	0%	Ordinary	(a)
WPP AMC Holdings Limited	17.91%	0%	Ordinary	(b)
Enduring Organisation	6.86%	0%	Ordinary	(b)
WPP Cap Limited	100%	0%	Ordinary	(b)
VAP Group Limited	100%	0%	Ordinary	(b)
Visual Art Productions (Oxford) Limited	0%	100%	Ordinary	(b)
VAP International Communications Limited	0%	100%	Ordinary	(b)
WPP LN Limited	100%	0%	Ordinary	(b)
Intact Limited	0%	100%	Ordinary	(b)
WPP 2709 Limited	0%	85.58%	Ordinary	(b)
WPP Group Holdings Limited*	0%	85.58%	Ordinary	(b)
WPP Group Holdings Limited*	0%	85.58%	Ordinary A	(b)
WPP Group Holdings Limited*	0%	85.58%	Preference B	(b)
Premiere Group Holdings Limited	0%	100%	Ordinary	(b)
Premiere Consultants Limited	0%	100%	Ordinary A	(b)
Premiere Consultants Limited	0%	100%	Ordinary B	(b)
Premiere Consultants Limited	0%	100%	Preference	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary A	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary B	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary C	(b)
TNS-NFO US	0%	100%	Ordinary	(b)
WPP Finance Square LLC	0%	100%	Ordinary	(f)
WPP Finance (UK)	0%	66.67%	Ordinary	(b)
WPP Finance 2010	0%	33.34%	Ordinary	(b)
Permanent Organisation Two	0%	100%	Ordinary	(b)
Tempus Group Limited	0%	100%	Ordinary	(b)
WPP Finance Co. Limited	0%	100%	Ordinary	(b)
Flexible Organisation	0%	59.31%	Ordinary	(b)
WPP CP Finance plc	0%	0%	Ordinary	(b)
Santo UK Limited	0%	100%	Ordinary	(e)
Black Cat Direct Limited	0%	100%	Ordinary	(e)
Black Cat RMG:Connect Limited	0%	0%	Ordinary	(e)
WPP Group (UK) Limited*	0%	96.34%	Ordinary	(b)
WPP Group (UK) Limited*	100%	0%	Preferred	(b)
WPP Marketing Communications Holdings Limited	0%	100%	Ordinary	(b)
WPP Knowledge	0%	100%	Ordinary	(b)
WPP Enterprise Limited	0%	100%	Ordinary	(b)
WPP Direct Limited	0%	100%	Ordinary	(b)
WPP Jargon Limited	0%	100%	Ordinary	(b)
WPP Insight Limited	0%	100%	Ordinary	(b)
York Merger Square 2004 LLC	0%	0%	Ordinary	(f)
WPP GUSA UK	53.93%	46.07%	Ordinary	(b)

* The subsidiary investment and associates of WPP Group (UK) Limited and WPP Group Holdings Limited have not been included in this report and are available from the annual report of the respective companies. Those annual reports do not form part of this report.

(a) Sea Containers, 18 Upper Ground, London, SE1 9RQ, England, United Kingdom
(b) 27 Farm Street, London, W1J 5RJ, England, United Kingdom
(c) The Buckley Building, 49 Clerkenwell Green, London, EC1R 0EB, England, United Kingdom
(d) Mansion House, Manchester Road, Altrincham, Cheshire, WA14 4RW, England, United Kingdom
(e) 1 Knightsbridge Green, London, SW1X 7NW, England, United Kingdom
(f) United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Kent, DE 19904, United States of America